

With billions of dollars starting to flow into federally funded infrastructure projects, companies such as Two Technologies Inc., which don't typically look to Washington for life-sustaining revenue, are doing so while other markets for their products remain mired in recession.

"The catch is knowing an individual's name in an agency that does something," said David Young, chairman of the Horsham handheld-computer manufacturer. "Thousands of handhelds are used by the government each year. But if you don't know who to talk to, you are not going to sell them."

To address that problem, 1,000 people attended a conference yesterday at the Springfield Country Club to learn how the much-anticipated \$787 billion federal economic-stimulus package could heat the frozen economy. Critics say the package will drown the nation in red ink for years. But those at the meeting were just looking for a financial lifeline.

Young and Joan Rickards, chief executive officer of Two Technologies, were among them.

"I'm shocked at how many people are here," Rickards said. It was her first time attending a conference on how small businesses can win federal contracts or subcontracts.

The company's business, Young said, had been good until it "fell off the planet" about a year ago. Now, Two Technologies' 85-employee factory is down to 40 nervous workers. The company manufactures handheld computers and has about 4,000 customers, including police departments and land surveyors.

Yesterday's session was the second "Business Procurement Summit." It was organized by Rep. Joe Sestak (D., Pa.).

About 400 people had signed up for a similar event in December 2007, but interest appeared to soar this time because of the recession and the prospect of obtaining stimulus funding.

Sestak said he had planned the first conference after learning that small-business participation in federal contracts was relatively small in his district, which covers most of Delaware County and parts of Chester and Montgomery Counties. He believed those businesses needed help getting the contracts.

So many people attended yesterday's summit, which cost \$40 a person, that the country club's parking lot filled to capacity and overflow cars were directed to park on the street in a nearby neighborhood.

Participants questioned an expert panel that included Sestak on the stimulus package and contracting. One question was whether a recently laid-off worker who launched a new company would have trouble obtaining a federal contract. The answer: Yes, because that individual's company wouldn't have a track record with a contracting agency.

Mark Zandi, chief economist with Moody's Economy.com in West Chester and an architect of the stimulus package, said stimulus money already was working itself into the economy through lower federal payroll deductions.

Zandi projected that \$250 billion to \$275 billion of the government stimulus would be spent in 2009. Most of the infrastructure spending, such as for bridge and road repairs, would occur in 2010, he said. The package provides an estimated \$150 billion in infrastructure spending.

The broadest measure of the nation's economic activity, the gross domestic product, shrank 6.3 percent in late 2008, the government reported Thursday. It was the worst quarterly drop in 25 years. Zandi projects economic growth could resume by late 2009.

Three hopeful participants yesterday were from LithChem Energy, a lithium-battery developer in Folcroft. Contained in the stimulus package, said Novis Smith, vice president of technology, is \$3 billion to help Detroit with electric cars.

LithChem has developed a battery for military missiles and hopes to convert that technology for use in automobiles. A lithium battery has about five times more energy than a similar-sized traditional lead battery.

LithChem is applying for \$2 million in economic-stimulus funds to build an experimental production line for its lithium batteries for cars - and boost employment to more than 20 from five, Smith said.

"I am very impressed," Smith said of the stimulus spending. "They are doing it pretty fast. They have greased the wheels."

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